

National Starch and Chemical Company

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May 7, 1992

Regional Administrator
Region IV
U. S. Environmental Protection Agency
345 S. Cortland Street
Atlanta, Georgia

**Re: Financial Assurance
Medley Farm Site
Gaffney, South Carolina**

Dear Sir:

I am the Corporate Controller of National Starch and Chemical Company ("National"). This letter is in support of this firm's use of the financial test to demonstrate financial assurance, as specified in Subpart H of 40 CFR Parts 264 and 265.

This firm, among others, is a potentially responsible party ("PRP") at the Medley Farm Site in Gaffney, South Carolina which is undergoing remedial activities pursuant to applicable provisions of CERCLA and for which financial assurance for such remedial activities is demonstrated through the financial test specified in Subpart H of 40 CFR Parts 264 and 265. The current remedial activities cost estimates covered by the test for this facility is \$3 million and, in accordance with an allocation agreement reached among the PRP's, National is responsible for an estimated 47% share of the costs of such remedial activities.

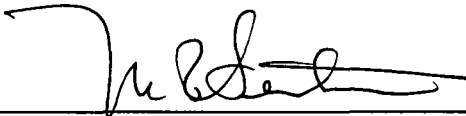
This firm is not required to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year. The fiscal year of this firm ends on December 31. The figures for the following items marked with an asterisk are derived from independently audited, year-end financial statements for the latest completed fiscal year, ended 1991.



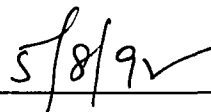
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1. Sum of current remedial activities cost estimates \$3,000,000
- * 2. Total liabilities\$732,109,000
- * 3. Tangible net worth\$723,316,000
- * 4. Net worth\$902,463,000
- * 5. Current assets\$582,956,000
- * 6. Current liabilities\$484,839,000
7. Net working capital (line 5 minus line 6) \$98,117,000
- * 8. Sum of net income plus depreciation, depletion and amortization\$213,976,000
- * 9. Total assets in U.S.\$736,296,000

- | | Yes | No |
|---|----------|----------|
| 10. Is line 3 at least \$10 million? | <u>X</u> | _____ |
| 11. Is line 3 at least 6 times line 1? | <u>X</u> | _____ |
| 12. Is line 7 at least 6 times line 1? | <u>X</u> | _____ |
| 13. Are at least 90% of firm's assets located in U.S.? If not, complete line 14. | _____ | <u>X</u> |
| 14. Is line 9 at least 6 times line 1? | <u>X</u> | _____ |
| 15. Is line 2 divided by line 4 less than 2? ... | <u>X</u> | _____ |
| 16. Is line 8 divided by line 2 greater than .1? .. | <u>X</u> | _____ |
| 17. Is line 5 divided by line 6 greater than 1.5? | _____ | <u>X</u> |


 M. I. Fenster
 Corporate Controller

Date: _____


 5/8/92